

CONFIDENTIAL

EXCISE

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INQUIRE=DOC11D
ITEM NO=00201579

ENVELOPE

CDSN = LGX458 MCN = 90171/09884 TOR = 901710656
RTTCZYUW RUEKJCS3436 1710655-CCCC--RUEALGX.

ZNY CCCCC

HEADER

R 200655Z JUN 90
FM JOINT STAFF WASHINGTON DC
INFO RUEADWD/OCSA WASHINGTON DC
RUENAAA/CNO WASHINGTON DC
RUEAHQA/CSAF WASHINGTON DC
RUEADWD/PTC WASH DC
RUFGAID/USEUCOM AIDES VAIHINGEN GE
RUEAMCC/CMC CC WASHINGTON DC
RUEOFAA/COMJSOC FT BRAGG NC//J2//
RUCQVAB/USCINCSOC INTEL OPS CEN MACDILL AFB FL
RUCJACC/USCINCCENT MACDILL AFB FL//CARA//
RUWSMXI/MAC INTEL CEN SCOTT AFB IL//IN//
RULOFDP/FOSIF SPEC INTEL CUBI PT RP
RUWANGC/CJTF FIVE//J20//
RUEATAC/CDRUSAITAC WASHINGTON DC//KT//
RUANJTF/CJTF FOUR
RUEOACC/CDRPSYOP GP FT BRAGG NC//ASOF-POG-SB//
RULKNIS/COMNISCOM WASHINGTON DC//NAVATAC//
RUEALGX/SAFE

R 191137Z JUN 90

FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 7542
INFO RUEABND/DEA WASHDC
RUEHIL/AMEMBASSY ISLAMABAD 1426
RUEHKP/AMCONSUL KARACHI 2802
RUEHRH/AMEMBASSY RIYADH 5929

BT

CONTROLS

C O N F I D E N T I A L ABU DHABI 03436

E.O. 12356: DECL: QADR

BODY

TAGS: SNAR, TC, US
SUBJECT: COOPERATION ON MONEY LAUNDERING

REF: (A) ABU DHABI 3273, (B) KARACHI 4650

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY: THE UAE IS PREPARED TO RECEIVE AMERICAN
EXPERTS IN THE FALL FOR A PRELIMINARY DISCUSSION ON
MONEY LAUNDERING LEGISLATION

HE ALSO PROMISED CONTINUED COOPERATION
OF BCCI WITH U.S. AUTHORITIES. END SUMMARY.

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DEPARTMENT OF STATE

IS/FPC/CDR

DRP Date 9/8/94

() RELEASE () DECLASSIFY
(X) EXCISE (X) DECLASSIFY
() DENY IN PART
() DELETE Non-Responsive Info
FOIA Exemptions B1, B5
PA Exemptions

MR Cases Only:
EO Citations

TS authority
() CLASSIFY as () S or () C OAD
() DOWNGRADE TS to () S or () C OAD

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AMBASSADOR NOTED THAT MONEY LAUNDERING IS A SERIOUS WORLDWIDE PROBLEM INCLUDING IN THE U.S. AND CANADA. WE ARE NOT SINGLING OUT THE UAE BUT ITS LIBERAL BANKING PRACTICES MAKE IT A NATURAL TARGET FOR MONEY LAUNDERING OPERATIONS. THIS IS PARTICULARLY TRUE BECAUSE THERE ARE INDICATIONS THAT PAKISTAN-ORIGINATED MONEY IS FINDING ITS WAY INTO THE TRADITIONAL GOLD EXPORT BUSINESS AND FROM THERE INTO BANKING CHANNELS. THE U.S. ITSELF IS WORKING ON NEW LEGISLATION AS WELL AS COOPERATIVE MEASURES WITH OECD STATES TO COMBAT MONEY LAUNDERING. THE USG WOULD LIKE TO SEND A TECHNICAL TEAM, AT AN APPROPRIATE TIME, TO DISCUSS THESE DEVELOPMENTS AND SUGGESTIONS FOR POSSIBLE DOMESTIC UAE LEGISLATION TO COMBAT MONEY LAUNDERING. THE AMBASSADOR ALSO NOTED OUR APPRECIATION FOR COOPERATION IN THE U.S. FROM THE NEW MANAGEMENT OF BCCI.

4. ----- COGNIZED THAT OUR FOCUS IN THIS DISCUSSION WAS NOT ON BCCI BUT HE WISHED TO MAKE THREE POINTS ABOUT THE BANKING PROBLEMS. FIRST, UAE LEADERS FROM SHEIKH ZAYED ON DOWN WERE SHOCKED WHEN THEY DISCOVERED BCCI'S INVOLVEMENT IN MONEY LAUNDERING. SECOND, THEY WERE DISTURBED BY HOW FAR THE BANK MANAGEMENT HAD EXCEEDED ITS RESPONSIBILITIES. THIRD, THE UAE IS COMMITTED TO FULL COOPERATION OF BANK MANAGEMENT WITH U.S. AUTHORITIES. HE HOPES THAT THE U.S. WILL INFORM THE BANK OF ACTIONS WE BELIEVE NECESSARY FOR THE REFORM OF BCCI.

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5. TURNING TO MONEY LAUNDERING, THIS IS AN INTERNATIONAL PROBLEM WHICH THREATENS EVERYONE--IT IS A DISEASE. THE UAE WILL WELCOME COOPERATION AND COORDINATION WITH THE U.S. AND WILL BE PREPARED TO TALK WITH OUR EXPERTS. HE WILL SEE THAT THE WORD IS PASSED TO CENTRAL BANK AND MINISTRY OF INTERIOR OFFICERS. HE AGREED WITH THE AMBASSADOR THAT IT WOULD BE BETTER IF A TEAM CAME IN THE FALL WHEN RELEVANT UAE OFFICIALS ARE ALL PRESENT.

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WALKER

ADMIN
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